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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT

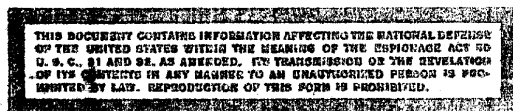
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COUNTRY **Czechoslovakia**DATE DISTR. **7 May 1954**

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SUBJECT **Economic Conditions**NO. OF PAGES **3**PLACE
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**THIS IS UNEVALUATED INFORMATION**

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1. There has been a sharp decline in the economic situation in Czechoslovakia since the spring of 1953. Since the currency reform the free market prices have become higher in relation to wages than they were prior to the reform. The purchasing power of the population is further limited by the low wages, and, since savings were cut by the reform, the financial strength of the average citizen has been greatly reduced and levelled.
2. This time the reform substantially affected the privileged working class in cutting down the savings, wages and rationed food privileges, with a result that there is in Czechoslovakia today a widespread discontent, not only with the political situation but, especially among workers, also with the economic situation.
3. Everywhere complaints about the economic situation are expressed spontaneously and openly. The population treats the present situation with scornful irony and sarcasm. There is a common belief among the population that the present situation in Czechoslovakia cannot continue much longer.
4. The most significant change observed is a return to the private ownership of part of the state property. The following undertakings, some of which were previously exclusively under state ownership and management, have been returned to private management:
 - a. The small shops: stationer's shops and groceries are now under private firms names. In most cases the new private managers are the former owners of the particular property.
 - b. The taxicabs: returned to former owners.
 - c. Barber shops: returned to private management.
 - d. Farm lands were also turned into private management. These farm lands remain JZD property and were allocated to farmers without regard to the previous ownership. Only the land, not an inventory of any kind, was allocated.

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25 YEAR RE-REVIEW

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These new economic measures were observed in Prague, Kolin, Brno and in **Slavkov District, near Brno.**

5. The farm property thus allocated cannot be refused. The persons affected regard these measures as a temporary way out of a deep and critical economic crisis which the Communists are now facing. They believe that these measures will be revoked as soon as the crisis is past. They are therefore reluctant to accept these measures. In Slavkov District, for the first time this year, no farmers were sentenced to serve a prison term for not fulfilling the prescribed production quota.
6. The following is the average wage and price level:

<u>Monthly wages</u>		<u>in Kcs</u>
Worker in a sugar refinery	Gross	560
Mechanical inspector of aircraft engines in an aircraft factory	Gross	1,060
Municipal taxicab driver	Gross	540
Miner	Gross	1,050 - 2,000
Football player (SNB team)	Gross	1,800

Average prices:

Meal in a restaurant	16 - 20
Beer	1.10
Pilsner beer	1.70
Man's hat	50 - 150
Leather jacket	1,000
Letter stamp (domestic)	0.60
Postcard stamp	0.30
10 cigarettes	4 and up
Subtenancy of one room	100 - 150
Cinema ticket	3 - 6
Shaving (with lotion)	4

7. The price of a railway ticket from Prague to Brno (fast train) is 43 Kcs; a streetcar ticket in Prague ~~to~~ Brno costs 0.60, in Olomouc according to distance travelled.
8. The electric current restrictions observed are as follows:
- Prague - no cuts, but limited advertisement and shop illumination
 - Brno - irregular power cuts, no shop or advertisement illumination
 - Hradec Kralove - power usually available around noon, otherwise cut; no street, shop or advertisement illumination. In restaurants candles are used. A complaint was overheard in a train and severe criticism from a man living in Hradec Kralove, who said openly that they live there like cattle: leaving home in the mornings in darkness, and coming back home in the evenings into darkness.

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- d. The region around Brno - power usually available between 10:00 p.m. and 12:00 midnight, sometimes at other hours.
- e. Decin - no illumination, supply of current irregular.
- f. Olomouc - power cuts for six to eight hours a day.
- g. Beroun - In the early evening there is no electric current, even at the railway station.
9. At Kbely and Prostějov airfields several propeller-engine training aircraft, probably C-2 Arado, were observed on the ground and in the air. At Kbely and Hradec Kralove several Mig-15's, flying singly or in a small formation, were seen.
10. Construction of a railroad (or a road) is under way parallel to the railroad from Prague to Svítavy. Ground and foundation work is almost finished all along this stretch.
11. A railroad (or a road) is under construction from the main bus station at Smíchov in the direction of Zbraslav, where the track of the construction turns towards the West. The foundations are already laid out.

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